

## Trump Lies About the Status of the Economy

Leigh Cuen and Politifact

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President Donald Trump has tried to cultivate an image of himself an apt businessman who is working to actively fix the economy; but his administration routinely spreads misinformation about the status of the American financial system.

In a press conference on August 24, White House Press Secretary Sarah Huckabee Sanders said there have been “over a million jobs created since [Trump] took office.” Trump has claimed credit for creating these million jobs twice before, according to the Washington Post, once on August 15 at Trump Tower in New York, and again at a Phoenix, Arizona, rally on August 22. However, economists told the Washington Post the president could not be directly credited with job creation this early in his term.

Or, as Politifact put it: “no president deserves full credit or full blame for economic performance on their watch, since no president is powerful enough to singlehandedly shape the economy.”

Regardless of historical context, Trump often takes credit for monetary and economic developments that have nothing to do with him, or sometimes doesn't even exist at all. Since taking office, he's falsely taken credit for tax legislation that doesn't exist and saving money on military planes, even though those budget cuts were in motion before he even took office.

Economics is a tricky topic, and all of the false statements coming of the White House can make it even harder to understand. So we teamed up with Politifact to unravel the biggest lies the Trump administration has told about the economy.

### **1. Trump has repeatedly lied about the job market, even once claiming most young black people are unemployed.**

Trump recently suggested that an improved job market would help heal “race relations” nationwide, claiming wages “haven't gone up in a really long time,” even though they've been on an upward swing since early 2014. “In this case, you can say the president is flatly wrong,” Brookings Institution economist Gary Burtless told Politifact. “Real wages have been rising more slowly than anyone wishes, except perhaps employers. Nonetheless, they have been rising.”

Jed Kolko, the chief economist with the jobs site Indeed.com, added, “not only have wages gone up overall, but wages are now increasing most for people with less education. So, wage gains aren't being driven only by top earners.”

It should come as no surprise that Trump misreads the job market. During the presidential election in 2016, he wrongfully stated that the majority of young black people are unemployed.

“African-American youth is an example: 59% unemployment rate; 59%,” Trump claimed during a campaign rally. According to government records from May 2016, the unemployment rate for black people ages 16 to 24 was 18.7%, or less than a third of Trump’s claim. Black youth have been shown to face more difficulty finding work than their white peers, but Trump distorted the issue with a misleading use of false statistics.

## **2. Trump exaggerates American tax burdens and falsely claimed that Amazon doesn’t pay taxes at all.**

Trump has repeatedly claimed the United States is the “highest taxed nation in the world” since he took office. This is blatantly false. When compared to 33 other industrialized nations by the Organization for Economic Cooperation and Development using data from 2014, the U.S. actually falls near the bottom of the pack, somewhere in the middle at best.

The U.S. *does* have one of the highest marginal corporate tax rates in the world, but companies pay far less because of deductions and exclusions. When Politifact looked at the actual tax burden on U.S. companies, they determined it was not the highest in the world.

Although Trump is generally critical of taxes and even claimed it was “smart” to avoid paying them, he tried to smear media rival Jeff Bezos by claiming his company, Amazon, doesn’t pay taxes. In July, Trump called Amazon a “no-tax monopoly.”

Amazon paid a combined total of \$412 million in federal, state, local and foreign taxes last year, according to regulatory filings. In 2015, it paid \$273 million in combined taxes, and \$177 million the previous year.

## **3. Kellyanne Conway falsely claimed remittance from the U.S. is Mexico’s biggest source of income.**

The Trump administration has a reputation for spreading xenophobic misinformation. This pattern bleeds into their statements about global economics as well. For example, White House Counselor Kellyanne Conway claimed during a televised interview in January that the top “source of income into Mexico are Mexicans working here and sending the money back.”

Remittance, or migrants sending money back to their homeland, is a major economic force worldwide. For many nations, like India, remittance is a major source of income. The World Bank estimated \$429 billion in remittance flowed to developing nations in 2016. A new report by think tank The Inter-American Dialogue suggests Mexico received \$26.9 million in remittance during 2016. However, Politifact found other factors were bringing more money from the U.S. to Mexico than remittance.

The biggest way Mexico receives money from the U.S. is by trade. American consumers and companies spend a lot of money on Mexican exports, like manufactured goods, oil, and agricultural products. According to federal data, the U.S. imported Mexican goods worth \$294.2 billion in 2015, which is around 10 times the amount of remittances.

Aside from specific claims about Mexico, the White House has also warped broader facts about the American trade deficit. In April, Trump tweeted “trade deficits hurt the economy very badly,” blaming slow economic growth on unequal import ratios. This claim contradicts Politifact findings, which show a sizable trade deficit has been a constant fact of life

for at least two decades, including years of both faster and slower economic growth. If anything, two recent years of smaller trade deficits actually coincided with weak economic growth.

#### **4. White House senior policy advisor Stephen Miller claimed immigration lowers American wages.**

During a press conference in August, Miller repeated the earlier pattern displayed by Conway and Trump, claiming research proved a correlation between low-skilled immigration and declining wages for people in the U.S. Some studies do suggest Cuban migration to Miami lowered local wages in decades past, but these reports have been highly controversial and sometimes contradicted by newer findings.

ABC News reported recent studies by the left-leaning Brookings Institution and the more conservative Cato Institute, plus the National Academies of Sciences, Engineering, and Medicine, all concluded “immigration does not impact wages for U.S. residents.” Sometimes there is a small decrease for uneducated or low-skill workers, combined with a pay boost for other American demographics. Overall, many economists believe immigration is good for the economy.

There just isn’t enough evidence to support the Trump administration’s position that immigration harms American workers. It’s a highly contested issue, because so many factors beyond immigration are driving down blue-collar wages.

Since the Trump administration misrepresents the job market, wages, global trade, cash flows, and even tax policies, it’s hard to believe Trump’s claims about a historically high “business spirit” sweeping the nation since he took office.

According to surveys by YPO, an organization of 25,000 CEOs that publishes studies of business confidence around the world, positive sentiment is the highest it has been since 2009. Regardless, today’s level is hardly unprecedented — it reached the same level three times under President Barack Obama. Plus, according to several surveys taken on a monthly basis, confidence has fallen since Trump took office. All things considered, so far Trump’s presidency hasn’t delivered the economic revival the White House promised.